



ATTORNEYS AND COUNSELORS AT LAW

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December 9, 2005

VIA E-FILING & HAND DELIVERY

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Station  
Boston, MA 02110

Re: D.T.E. 05-61; Milford Water Company

Dear Ms. Cottrell:

Enclosed for filing please find Milford Water Company's responses to the following First Set of Information Requests of the Department of Telecommunications and Energy Settlement Intervention Staff in the above-captioned matter: 1, 2, 3, 4, 5, 6, 9, 12, 23, 34, 35, 36, 37, 38, 39 and 40.

Any questions on this matter should be directed to the undersigned.

Very truly yours,

Eric J. Krathwohl

Encl.

cc: Shaela McNulty Collins, Esq., Hearing Officer – Settlement Intervention Staff  
John Geary, Esq., Hearing Officer – Adjudicatory Staff  
Gerald M. Moody, Esq.  
Henry C. Papuga, Manager  
Stephen B. Alcott

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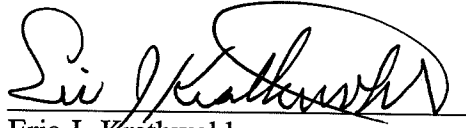
COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS  
AND ENERGY

D.T.E. 05-61

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in this proceeding in accordance with the requirements of 220 CMR 1.05(1) (Department's Rules of Practice and Procedure).

Dated at Boston, Massachusetts this 9<sup>th</sup> day of December, 2005.

  
Eric J. Krathwohl  
Counsel

Of Counsel for  
Milford Water Company

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**MILFORD WATER COMPANY RESPONSES TO THE  
FIRST SET OF STAFF INFORMATION REQUESTS OF THE SETTLEMENT INTERVENTION STAFF  
DTE 05-61**

Respondent: Henry C. Papuga  
Response Date: December 9, 2005

SIS 1-1      Refer to page 10 of the prefiled testimony of Mr. Alcott. Please describe the present status of the new source of supply project for the Town of Hopedale.

**Response:**    **The Milford Water Company contacted the Town of Hopedale Water Superintendent, Timothy Watson, on December 8, 2005 and requested a project status update. Mr. Watson indicated that all permits and forms were submitted to the MA. Department of Environmental Protection (DEP) “approximately eight (8) months ago and no response has been received to date”.**

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DTE 05-61**

**Respondent: Henry C. Papuga  
Response Date: December 9, 2005**

**SIS 1-2** Refer to page 10 of the prefiled testimony of Mr. Alcott. Please provide the annual consumption and revenues for each year from 2000 through 2004 to the Town of Hopedale, as well as month-by-month consumption and sales from January of 2005 through September of 2005.

**Response:** The Milford Water Company maintains two interconnections with the Town of Hopedale, one on South Main Street (Acct 4-550) and one on Water Street (4-530). Both connections are compound meters located in meter pits on the Milford-Hopedale town line. Milford Water Company meter readers read each meter monthly. Charges are rendered quarterly as per current Rates, Rules and Regulations. Please see the attached Excel report providing the specific information as requested broken down by the two meters.

# **RESPONSE TO DTE 05-61, ATTACHMENT SIS 1-2**

Acct 4-550		
Date	Usage (cu.ft.)	\$
Mar-00	787900	\$ 9,163.99
Jun-00	905200	\$10,458.98
Sep-00	942600	\$10,871.87
Dec-00	1156100	\$13,228.91
		\$43,723.75

Mar-01	725000	\$ 8,469.57
Jun-01	818600	\$ 9,502.91
Sep-01	835900	\$ 9,693.91
Dec-01	426400	\$ 5,176.03
		\$32,842.42

Mar-02	588400	\$ 6,961.51
Jun-02	616400	\$ 7,270.63
Sep-02	842600	\$ 9,767.87
Dec-02	861600	\$ 9,977.63
		\$33,977.64

Mar-03	625000	\$ 7,365.57
Jun-03	764200	\$ 8,902.34
Sep-03	1323800	\$15,080.32
Dec-03	872440	\$10,097.31
		\$41,445.54

Mar-04	837000	\$ 9,706.05
Jun-04	754400	\$ 8,794.15
Sep-04	1322600	\$15,067.07
Dec-04	999300	\$11,497.84
		\$45,065.11

Mar-05	424300	\$ 5,149.84
Jun-05	702300	\$ 8,218.96
Sep-05	1883200	\$21,256.10
Dec-05		

Acct 4-530		
Date	Usage (cu.ft.)	\$
Mar-00	388600	\$ 4,755.71
Jun-00	255200	\$ 3,282.98
Sep-00	12400	\$ 351.63
Dec-00	256700	\$ 3,299.54
		\$11,689.86

Mar-01	69500	\$ 1,118.98
Jun-01	132900	\$ 2,145.14
Sep-01	230400	\$ 3,009.19
Dec-01	110500	\$ 1,685.49
		\$ 7,958.80

Mar-02	19000	\$ 530.47
Jun-02	10300	\$ 351.63
Sep-02	344600	\$ 4,269.95
Dec-02	265000	\$ 3,391.17
		\$ 8,543.22

Mar-03	104000	\$ 1,613.73
Jun-03	344500	\$ 4,268.85
Sep-03	249700	\$ 3,222.26
Dec-03	163900	\$ 2,275.03
		\$11,379.87

Mar-04	654000	\$ 7,685.73
Jun-04	566200	\$ 6,716.42
Sep-04	832500	\$ 9,656.37
Dec-04	164000	\$ 2,276.13
		\$26,334.65

Mar-05	139300	\$ 2,003.44
Jun-05	243300	\$ 3,151.60
Sep-05	785300	\$ 9,135.28
Dec-05		

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DTE 05-61**

Respondent: Henry C. Papuga  
Response Date: December 9, 2005

SIS 1-3      Refer to page 10 of the prefiled testimony of Mr. Alcott. Please provide all correspondence between the Town of Hopedale and Milford relating to the Town of Hopedale's intention to cease purchasing water from Milford.

**Response:**    **The Milford Water Company received a letter from the Town of Hopedale dated March 16, 2001 stating it did not wish to continue purchasing water through the South Main Street connection, requested a final reading on October 1, 2001 and termination of the connection. A copy of the letter is attached.**

**At a subsequent meeting within the past 12 months, held at the Hopedale Town Hall at which the company was invited, the Hopedale Board of Water & Sewer Commissioners informed the company that it expects to stop purchasing water from the company when the MA. Department of Environmental Protection (DEP) approves its filed well application. It was also stated that the two interconnections could be maintained for 'emergency' purposes only.**

**TOWN OF HOPEDALE**

78 Hopedale Street - P.O. Box 7  
Hopedale, Massachusetts 01747

Tel: 508-634-2203 Fax: 508-634-2200

**Water & Sewer  
Commissioners**  
Robert Bird, Chm  
Christine Burke  
Aldo P Tarca

March 16, 2001

Milford Water Company  
66 Dilla Street  
Milford Ma. 01757

Attn: Henry C. Papuga  
Manger

Re: Milford/Hopedale/Mendon interconnection agreement/wheeling fee

Mr. Papuga

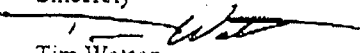
As you are aware the Town of Hopedale was asked at the meeting on February 28, 2001 to review the value of the South Main Street water main and to reconsider its proposal to bill Mendon at the same rate which Hopedale bills its own customers. After further discussion the Board of Water & Sewer Commissioners still supports its position as an equitable means of providing water to your customer.

Presently the Town has its Greene Street pump stations off and the other not pumping at its full capacity. At the same time we are purchasing about 700,000 cuft per quarter, from the Milford Water Company. Given our recent connection from our north end of town to the south end we do not wish to continue buying water through the South Main Street meter. However, in times of need the Town does intend to supplement its supply through the Williams Street connection. We strongly feel that supplying the south end of Hopedale with our own resources is not only feasible at this time but also more economical.

With this and the 1948 Agreement in mind, we would like to schedule a final reading at the Rte. 140 master meter for October 1, 2001. At that time the Milford Water Company may wish to terminate this connection. In doing so we ask that you notify this department so it may activate the connection to the south end and close the connection to the Town of Mendon.

If the Milford Water Company does not wish to discontinue services through this master meter, any usage lost between Hopedale and Mendon will be treated as the wheeling fee but no further payments will be made by the Town of Hopedale.

Sincerely

  
Tim Watson  
Superintendent

Cc: Mendon Water Commissioners  
Hopedale Board of Selectmen  
Atty. David Martland

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Respondent: Henry C. Papuga  
Response Date: December 9, 2005

SIS 1-4      Refer to page 10 of the prefiled testimony of Mr. Alcott. Please explain the impact of the Town of Hopedale's intention to cease purchasing water from Milford upon Milford's sales of water to the Town of Mendon.

**Response:**      **The Town of Mendon terminated its contract to purchase water from the Milford Water Company effective May 31, 2005. A 'final reading was taken on June 1, 2005 and a final bill was prepared and submitted. The Town of Mendon entered into a contract to purchase water from the Town of Hopedale. Hopedale's intention to cease purchase of water from Milford will have no impact upon sales of water to the Town of Mendon as those sales no longer exist.**

**Milford Water Company maintains interconnections with the Town of Hopedale, Town of Holliston, Town of Medway and Town of Hopkinton. Additional discussions have been held with the Town of Upton and Town of Bellingham regarding installation of interconnections.**

**In times of emergency, the Milford Water Company would contact the Town of Hopedale, Town of Holliston and Town of Medway via telephone. On occasion, a personal visit is made. Depending upon the specific nature of the emergency, the Town of Hopedale would be asked to curtail purchase of water through the two interconnections and the Town of Holliston and Town of Medway would be asked if they could provide water to Milford as needed. If Holliston and Medway had excess capacity and the ability to provide assistance, a date and time would be determined to place the interconnections in service.**



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DTE 05-61**

**Respondent: Henry C. Papuga  
Response Date: December 9, 2005**

**SIS 1-5**      Refer to page 3 of Exhibit SBA-1. Please provide a copy of the office lease agreement referenced on this schedule.

**Response:**    **The Milford Water Company has two lease areas located within the Company's office building on Dilla Street. Copies of the two tenant leases are attached.**

## COMMERCIAL LEASE AGREEMENT

This lease made this 31<sup>st</sup> day of December, 2002 by and between Milford Water Company of 66 Dilla Street, Milford, MA 01757 (hereinafter "the lessor") and Staff U Smart, a duly organized Massachusetts Corporation under the Laws of the Commonwealth of Massachusetts, of 12 Overlook Drive Westborough, MA 01581 (hereinafter "the Lessee").

In consideration of the covenants and conditions set forth herein, the Lessor hereby demises and leases unto the Lessee the premises described below pursuant to the terms set forth herein.

### 1. LEASED PREMISES

The leased premises are located at 64 Dilla Street (Unit 4), Milford, Massachusetts, consisting of 1,670 +/- square feet, as shown on an exhibit attached hereto as Exhibit "A and incorporated herein by reference. Lessor does hereby grant to Lessee as appurtenant to the Premises the right to use the paved parking area, in common with others entitled thereto, while used by Lessee, it's employees and business vendors. The Lessor reserves the right to designate the location of the parking areas to be used by Lessor from time to time and change such location and Lessee will use its best efforts to require its employees to use only those part of the parking area designated for Lessee's use. Lessee has use of all parking spaces in the rear of the building.

### 2. TERM

The term of the Lease shall be for three (3) years commencing on the first day of January 2003 and ending on the last day of December 2005. If Lessee has at all times faithfully performed all of the terms and conditions of this Lease by it to be performed shall have the option to extend this Lease for an additional one (1) year term, beginning on the first day of January 2006 and ending on the last day of December, 2006, by giving Lessor written notice in the manner herein provided in Paragraph 17 at least three (3), but not more than six (6) months prior to the expiration of the original term. All the terms and conditions of this Lease shall continue in force during the extended period except that the annual base rent payable by Lessee for such extended rent shall be as set forth in Paragraph 3 hereof. Lessor reserves the right to increase Lessee base rent each year no more than 5% per year beginning at the second year of said initial term, including the one (1) year renewal term.

### 3. BASE RENT

A. The annual base rent is \$20,040.00 during the first year of said initial term, payable in equal monthly installments of \$1,670.00 per month in advance and on the first day of each calendar month during the term hereof. The annual base rent shall be reduced upon the installation of an electric submeter as described in paragraph 5. The base rent shall be again modified for the second and third years of said initial term. At the

beginning of year two of said initial term, the annual base rent is \$13,360.00, payable in equal monthly installments of \$1,113.33 per month in advance and on the first day of each calendar month during the term hereof. The last month's payment for the initial term and as extended shall be made on December 1, 2005 in the amount of \$ 1,113.33.

**B. Additional Rent:**

Lessor enters into this lease agreement for the express purpose of providing Lessor with net income from rent, free and clear of any and all expenses, charges, tax liens, or impositions of any kind. Lessor agrees that no additional rent shall be charged to the Lessee during the first year of said three-year lease. At the beginning of year two of said three-year lease, in addition to the basic monthly rent required by this lease agreement, Lessee shall pay as additional rent its pro rata share of all real property taxes or other assessments and insurance premiums assessed against the building in which the demised premises are located, and common areas charges incurred by the Lessor as set forth below. The rent payable by Lessee during each lease year shall be adjusted in accordance with this paragraph. The Lessor shall present the Lessee with a copy of any bill for real estate taxes and any other municipal charges and assessments attributable to the Premises. The Lessee will pay as additional monthly rent hereunder each bill, to be payable as additional monthly rent beyond the initial \$1,113.33 per month. Lessee's liability for this amount shall be prorated for any part of the period covered by such bill for which Lessee is not responsible for rent under this Lease.

Lessor shall present Lessee with a copy of its annual bill for fire and other property damaged and liability attributable to the Premises. Lessee will pay as additional rent hereunder monthly its pro rata share. Lessee's liability for this amount shall be prorated for any part of the period covered by such bill for which Lessee is not responsible for rent under this Lease.

**4. LESSOR'S COVENANTS**

The Lessor agrees that during the term hereof it will furnish outside building maintenance, other than is required to be done by Lessee hereunder, grounds maintenance, maintenance of the water and sewer systems and snow clearing for the areas used in common by Lessee's of the Premises, including Lessee's designated parking areas.

Lessor covenants and agrees that Lessee, upon performance of its obligations under this Lease, shall peaceably and quietly have, hold and enjoy the premises throughout the original term of this Lease and all extension periods.

**5. UTILITIES**

The Lessee shall pay all heat and electric charges for unit 4 and charges shall be included in the monthly base rent of \$12.00 per square foot until such time as the Lessor installs, at Lessor's expense, an electric submeter. Upon the installation as said submeter,

the Lessee shall pay all heat and electric charges as determined from the monthly electric bill for unit 4. At such time as the electric submeter is installed, the Lessee monthly base rent shall be reduced from \$12.00 per square foot to \$11.00 per square foot. The Lessor shall provide for water and sewer use charges, rubbish removal charges and shall designate a dumpster to be used by the Lessee.

6. USE OF LEASED PREMISES

The Lessee shall use the premises only for the purpose of conducting a consulting business.

7. COMPLIANCE WITH LAWS

The Lessee acknowledges that no trade or occupation shall be conducted in the leased premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any law or any municipal by-law or ordinance in force in the city or town in which the leased premises are situated, and agrees to conduct his business in compliance with any and all applicable Federal and State laws or regulations and any municipal by-law or ordinance in force in the city or town in which the leased premises are situated.

8. FIRE INSURANCE

The Lessee shall not permit any use of the leased premises that will make violable any insurance on the property of which the leased premises are a part, or in the contents of said property, or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. The Lessee shall on demand reimburse the Lessor all extra insurance premiums caused by the Lessee's use of the premises.

9. MAINTENANCE

The Lessee agrees to maintain the leased premises and any and all equipment therein in good condition, damage by fire and other casualty only excepted, and whenever necessary, to replace plate glass and other glass therein, acknowledging that the leased premises are now in good order and the glass whole. The Lessee shall not permit the leased premises to be overloaded, damaged, stripped, or defaced not suffer any waste.

10. ALTERATIONS/ADDITIONS

The Lessee shall not make structural alterations or additions to the leased premises but may make non-structural alterations provided the Lessor consents thereto in writing, which consent shall not be unreasonably withheld or delayed. All such allowed alterations shall be at Lessee's expense and shall be in a quality at least equal to the present construction. Lessee shall not permit any mechanics' liens, or similar liens, to remain upon the leased premises for labor and material furnished to Lessee or claimed to

have been furnished to Lessee in connection with work of any character performed or claimed to have been performed at the direction of Lessee and shall cause any such lien to be released of record forthwith without cost to Lessor. Any alterations or improvements made by Lessee shall become the property of Lessor at the termination of occupancy as provided herein. Lessee has use of all parking areas in the rear of the building.

11. ASSIGNMENT/SUBLEASING

The Lessee shall not assign or sublet the whole or any party of the leased premises without Lessor's prior written consent. Notwithstanding such consent Lessee shall remain liable to Lessor for the payment of all rent and the full performance of the covenants and conditions of this lease unless otherwise agreed to in writing.

12. SUBORDINATION

The Lessee hereby agrees to subordinate the lien of this Lease to any new first mortgage that may be placed on the land and buildings of which the leased premises are a part, or a blanket mortgage, if any, placed on such land and buildings, and other lands and buildings owned by the Lessor by a bank, trust, company, insurance company, or other lender, and the recording of such new mortgage shall be deemed prior in lien to this Lease; and the Lessee will, upon demand, but at the expense of the Lessor, execute any instrument necessary to effectuate such subordination, and if the Lessee, with SEVEN(7) DAYS after submission of such instruments, fails to execute the same, the Lessor is hereby authorized to execute the same as attorney-in-fact for the Lessee.

13. LESSOR'S ACCESS

The Lessor or agents of the Lessor may, at reasonable times, enter to view the leased premises and may remove placards and signs not approved and affixed as herein provided, and make repairs and alterations to Lessor's capital equipment or structural materials as Lessor should elect to do.

14. INDEMNIFICATION AND LIABILITY

The Lessee shall save the Lessor harmless from all loss and damage occasioned by the use or escape of water or by the bursting of pipes, as well as from any claim or damage resulting from neglect in not removing snow and ice from the roof of the building, the parking areas, and access ways, or by any nuisance made or suffered on the leased premises, unless such loss is caused by the neglect of the Lessor. The removal of snow and ice from the roof of the building, the parking areas, and access ways upon the leased premises shall be the Lessor's responsibility.

15. LESSEE'S LIABILITY INSURANCE

The Lessee shall maintain with respect to the leased premises property damage insurance and comprehensive public liability insurance in responsible companies qualified to do business in Massachusetts and in good standing therein insuring the Lessor as well as Lessee against injury to persons or damage to property as provided in the following minimum amounts: personal injury including death - \$500,000.00 for each person and \$1,000,000.00 for each accident; property damage - \$1000,000.00. The Certificates of such policy or policies evidencing such coverage together with an endorsement thereon evidencing payment of premium or other satisfactory proof thereof shall be delivered to Lessor upon request. Said insurance policies shall not be canceled without at least ten (10) days prior written notice to each assured named therein.

16. EMINENT DOMAIN

Should a substantial portion of the leased premises, or of the property of which they are a part, be taken by eminent domain, the Lessor may elect to terminate this lease. Then such taking renders the leased premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made.

17. DEFAULT AND BANKRUPTCY

In the event that:

- (a) The Lessee shall default in the payment of any installment of rent or other sum herein specified and such default shall continue for ten (10) days after written notice thereof; or
- (b) If Lessee shall neglect or fail to perform or observe any of the covenants or undertakings herein on its part to be performed and observed for a period of thirty (30) days (ten (10) days if such default be in the payment of any installment of rent or any additional rent due, or immediately if the default results in the cancellation or invalidity of insurance cover as provided in Paragraph 8. Lessee shall after receipt of notice of default immediately commence to cure such default, and if such default then remains seven (7) days after such notice, or if the estate hereby created shall be taken by execution or by other process of law and not redeemed by Lessee within fifteen (15) days thereafter, or if proceedings for corporate reorganization or arrangement under the Bankruptcy Laws of the United States, or any laws amendatory thereof or supplemental thereto, shall be filed by or against Lessee and a decree entered for such reorganization or arrangement, or if any assignment shall be made of Lessee's property for the benefit of creditors, or if any proceedings are instituted by or against Lessee under any Bankruptcy or Insolvency

Law, or if a receiver for Lessee or other similar officer shall be appointed (and if any of said proceedings which are instituted against Lessee or the said appointment of any receiver or other similar officer shall not be contested and dismissed within thirty (30) days after the institution or appointment thereof) Lessor may, immediately or at any time thereafter (notwithstanding any license or waiver of any former breach or waiver of the benefit hereof, or consent in a former instance) and without demand or notice, in person or by agent or attorney, enter the Premises or any part thereof and repossess the same as of its former estate, or terminate by written notice to Lessee and in either event expel Lessee and those claiming through or under it and remove their effects (and to the extent permitted by law, forcibly if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedy which otherwise might be used for arrears of rent or breach of covenant, and upon entry or notice as aforesaid, this Lease shall terminate.

#### 18. NOTICE

Any notice from the Lessor to the Lessee relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if left at the leased premises addressed to the Lessee, or if mailed to the leased premises, registered or certified mail, return receipt requested, postage prepaid, addressed to the Lessee. Any notice from the Lessee to the Lessor relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if mailed to the Lessor by registered or certified mail return receipt requested, postage prepaid, addressed to the Lessor at such address as the Lessor may from time to time advise in writing. All rent and notices shall be paid and sent to the address of each party shown in the first paragraph of this Lease.

#### 19. SURRENDER

The Lessee shall at the termination of this lease remove all Lessee's goods and effects from the leased premises, including, without hereby limiting the generality of the foregoing, all signs and lettering affixed or painted by the Lessee, either inside or outside the leased premises. Lessee shall deliver to the Lessor the leased premises and all keys locks thereto and other fixtures connected therewith and all alterations and additions made to or upon the leased premises in good condition, damage by fire or other casualty only accepted. Lessee further agrees that, if on termination of Lease by expiration or otherwise, Lessee shall fail to remove any of its property from the Premises, Lessor shall be authorized, at its option, and in Lessee's name and on its behalf, either (i) to cause such property to be removed and placed in storage for the account and at the expense of Lessee; or (ii) to sell such property at public or private sale with or without notice, and to apply the proceeds thereof, after the payment of all expenses of removal, storage and sale, to the indebtedness, if any, of Lessee to Lessor, the surplus, if any to be paid to Lessee.

20. Lessee shall not do or suffer anything to be done whereby the Premises and may be encumbered by any materialman's or mechanic's lien and shall, whenever and as often as any such lien filed purporting to be for labor or material furnished to the Lessee, discharge the same of record within thirty (30) days after the date of filing.

21. Lessee covenants that such rules and regulations as the Lessor from time to time hereafter may make, applicable to all Lessees of the Premises and uniformly enforced by Lessor, being in the judgment of the Lessor needful for the reputation, safety, care or cleanliness of the premises or the operation and maintenance of the Premises, or for the comfort of the Lessee, shall be faithfully performed by the Lessee and by the agents, employees, servants, licensees, invitees and visitors of the Lessee, and all such rules and regulations are hereby made part of this Lease as fully, to all intents and purposes as if herein set forth. The Lessor, however, shall have the right to change said rules and to waive any or all of the rules in the case of any one or more Lessees, not shall the Lessor be responsible to the Lessee, or to the Lessee's agent, employees, servants, licensees, invitees, or visitors, for failure to enforce any of the rules and regulations or for the non-observance or violation of any of said rules and regulations by any other Lessee or by any other person or for the non-observance or violation of or failure to enforce or to perform the provisions of any other lease of any part of the Premises.

22. Except as otherwise specifically provided herein, Lessee shall arrange, at its own cost and expense, removal of its trash and other waste from its leased area.

23. Lessee shall not place any signs on the Premises except as may have been approved in writing by Lessor prior to installation, which consent shall not be unreasonably withheld.

#### 24. FIRE AND OTHER DAMAGE

If the Premises shall be partially damaged by fire or other cause without the fault or neglect of Lessee, Lessee's servants, employees, agents, visitors or licensees, the damages shall be repaired by and at the expense of the Lessor and the rent until such repairs shall be made, apportioned according to the part of the Premises which is usable by Lessee. But if such partial damage is due to the fault or neglect of Lessee, Lessee's servants, employees, agents, visitors or licensees, the damage shall be repaired by Lessor, at Lessee's expense and there shall be no apportionment or abatement of rent. Such repairs shall be made promptly, subject to reasonable delay which may arise by reason of adjustment of insurance on the part of the Lessor or Lessee, and for reasonable delay on account of "labor troubles" or any other cause beyond Lessor's control. Lessor shall not be liable for any inconvenience or annoyance to Lessee or injury to the business of the Lessee resulting from reasonable delays in repairing such damage. If the Premises are totally damaged or are rendered wholly untenable by fire or other cause, and if Lessor shall decide not to restore or not to rebuild same, or if the building shall be so damaged that Lessor shall decide to demolish it (whether or not Lessor thereafter decides to rebuild it), Lessor may, within sixty (60) days after such fire or other cause, give Lessee a notice



in writing of such decision and thereupon the term shall expire upon the thirtieth (30) day after such notice is given, and Lessee shall vacate the Premises and surrender the same to Lessor. If the Premises are totally damaged or are rendered wholly untenable by fire or other cause so that it cannot reasonably be expected to be restored or rebuilt within six (6) month period, Lessee may within sixty (60) days of the occurrence of such damage, terminate this Lease upon fifteen (15) days' prior notice in writing to Lessor and thereafter shall vacate the premises and surrender the same to Lessor. If Lessee shall not be in default under this Lease then, upon termination of this Lease under conditions herein provided for, Lessee's liability for rent shall cease as of the day following the casualty.

25. LESSOR REMEDIES

If the Lease shall be terminated as provided in Paragraph 17 hereof, Lessee shall continue to pay to Lessor in addition to all sum which were due to the date of such termination, the base rent and additional rent for the balance of the term, provided however, the Lessee shall be credited with any rent payments actually received by Lessor as a result of reletting. The amount of credit the Lessee may receive as provided in the preceding sentence shall be determined on a monthly basis and shall in no event exceed the amount of rent due from the Lessee in that monthly period. Lessee also agrees (i) to indemnify and save Lessor harmless from and against all expenses which Lessor may incur, including, without limitation, legal expenses, attorney's fees, brokerage fees, and the cost of putting the Premises in good order or preparing the same for rental and (ii) that Lessor may re-let the Premises or any part or parts thereof, either in the name of the Lessor or otherwise for a term or terms, which may, at Lessor's option be less than or exceed the period which would otherwise have constituted the balance of the Lease Term and of any extension thereof and may grant concessions of free rent. Lessor, at Lessor's option may make such alterations, repairs, replacements and decorations on the Premises as Lessor, in Lessor's sole judgment deems advisable and necessary for the purpose of reletting the Premises and the making of such alterations or decorations shall not operate or be construed to release Lessee from liability hereunder. Mention in this Lease of any particular remedy shall not preclude Lessor from any other remedy in law or in equity.

Signed and sealed this 9<sup>TH</sup> st. day of JANUARY, 2003

Milford Water Company

By: Leonard H. White  
Leonard H. White, President

By: David H. White  
David H. White, Treasurer

Staff U Smart

By: Earl Callender  
Earl Callender, President

By: \_\_\_\_\_  
, Treasurer

## COMMERCIAL LEASE AGREEMENT

This Lease made this 31st day of December, 2001 by and between Milford Water Company of 66 Dilla Street, Milford, MA 01757 (hereinafter "the Lessor") and Comprehensive Environmental Inc., a duly organized Massachusetts Corporation under the Laws of the Commonwealth of Massachusetts, of 21 Depot Street, Merrimack, New Hampshire 03054 (hereinafter "the Lessee").

In consideration of the covenants and conditions set forth herein, the Lessor hereby demises and leases unto the Lessee the premises described below pursuant to the terms set forth herein.

### 1. LEASED PREMISES

The leased premises are located at 64 Dilla Street (Unit 2 and 3), Milford, Massachusetts, consisting of 3,395 +/- square feet, as shown on an exhibit attached hereto as Exhibit "A" and incorporated herein by reference. Lessor does hereby grant to Lessee as appurtenant to the Premises the right to use the paved parking area, in common with others entitled thereto, while used by Lessee, it's employees and business vendors. The Lessor reserves the right to designate the location of the parking areas to be used by Lessee from time to time and change such location and Lessee will use its best efforts to require its employees to use only those parts of the parking area designated for Lessee's use. Lessee has use of all parking spaces in the rear of the building.

### 2. TERM

The term of the Lease shall be for four (4) years commencing on the first day of January, 2002 and ending on the last day of December, 2005. If Lessee has at all times faithfully performed all of the terms and conditions of this Lease by it to be performed shall have the option to extend this Lease for an additional three (3) year term, beginning on the first day of January 2006 and ending on the last day of December, 2008, by giving Lessor written notice in the manner herein provided in Paragraph 17 at least three (3) months, but not more than six (6) months prior to the expiration of the original term. All the terms and conditions of this Lease shall continue in force during the extended period except that the annual base rent payable by Lessee for such extended rent shall be as set forth in Paragraph 3 hereof, however the rent shall increase no more than 5% each year in the three (3) year renewal term.

### 3. BASE RENT

A. The annual base rent is \$ 47,530.00 during said initial term, payable in equal monthly installments of \$ 3,960.83 per month in advance and the first day of each calendar month during the term hereof. The last month's payment for the initial term and as extended shall be made on December 1, 2005 in the amount of \$3,960.83,

#### B. Additional Rent:

This lease agreement is entered into by lessor for the express purpose of providing Lessor with net income from rent, free and clear of any and all expenses, charges, taxes liens, or impositions of any kind. In addition to the basic monthly rent required by this lease agreement, lessee shall pay as additional rent its pro rata share of all real property taxes or other assessments and insurance premiums assessed against the building in which the demised premises are located, and common areas charges incurred by the lessor as set forth below. The rent payable by Lessee during each lease year shall be adjusted in accordance with this Paragraph. The Lessor shall present the Lessee with a copy of any bill for real estate taxes and any other municipal charges and assessments attributable to the Premises. The Lessee will pay as additional monthly rent hereunder each bill, to be payable as additional monthly rent beyond the initial \$ 3,960.83 per month. Lessee's liability for this amount shall be prorated for any part of the period covered by such bill for which Lessee is not responsible for rent under this Lease.

Lessor shall present Lessee with a copy of its annual bill for fire and other property damage and liability attributable to the Premises. Lessee will pay as additional rent hereunder monthly its pro rata share. Lessee's liability for this amount shall be prorated for any part of the period covered by such bill for which Lessee is not responsible for rent under this Lease.

#### 4. LESSOR'S COVENANTS

The Lessor agrees that during the term hereof it will furnish outside building maintenance, other than is required to be done by Lessee hereunder, grounds maintenance, maintenance of the water and sewer systems and snow clearing for the areas used in common by Lessee's of the Premises, including Lessee's designated parking areas.

Lessor covenants and agrees that Lessee, upon performance of its obligations under this Lease, shall peaceably and quietly have, hold and enjoy the premises throughout the original term of this Lease and all extension periods.

#### 5. UTILITIES

The Lessee shall pay all heat and electric charges for units 2 and 3 as pro rated from the monthly electric bill for units 2, 3, and 4. The Lessor shall provide for water and sewer use charges, rubbish removal charges and shall designate a dumpster to be used by the Lessee.

#### 6. USE OF LEASED PREMISES

The Lessee shall use the premises only for the purpose of conducting a

consulting business.

7. COMPLIANCE WITH LAWS

The Lessee acknowledges that no trade or occupation shall be conducted in the leased premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any law or any municipal by-law or ordinance in force in the city or town in which the leased premises are situated, and agrees to conduct his business in compliance with any and all applicable Federal and State laws or regulations and any municipal by-law or ordinance in force in the city or town in which the leased premises are situated.

8. FIRE INSURANCE

The Lessee shall not permit any use of the leased premises that will make voidable any insurance on the property of which the leased premises are a part, or in the contents of said property, or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. The Lessee shall on demand reimburse the Lessor all extra insurance premiums caused by the Lessee's use of the premises.

9. MAINTENANCE

The Lessee agrees to maintain the leased premises and any and all equipment therein in good condition, damage by fire and other casualty only excepted, and whenever necessary, to replace plate glass and other glass therein, acknowledging that the leased premises are now in good order and the glass whole. The Lessee shall not permit the leased premises to be overloaded, damaged, stripped, or defaced nor suffer any waste.

10. ALTERATIONS/ADDITIONS

The Lessee shall not make structural alterations or additions to the leased premises but may make non-structural alterations provided the Lessor consents thereto in writing, which consent shall not be unreasonably withheld or delayed. All such allowed alterations shall be at Lessee's expense and shall be in a quality at least equal to the present construction. Lessee shall not permit any mechanics' liens, or similar liens, to remain upon the leased premises for labor and material furnished to Lessee or claimed to have been furnished to Lessee in connection with work of any character performed or claimed to have been performed at the direction of Lessee and shall cause any such lien to be released of record forthwith without cost to Lessor. Any alterations or improvements made by Lessee shall become the property of Lessor at the termination of occupancy as provided herein. Lessee has use of all parking areas in the rear of the building.

#### 11. ASSIGNMENT/SUBLEASING

The Lessee shall not assign or sublet the whole or any part of the leased premises without Lessor's prior written consent. Notwithstanding such consent, Lessee shall remain liable to Lessor for the payment of all rent and the full performance of the covenants and conditions of this lease unless otherwise agreed to in writing.

#### 12. SUBORDINATION

The Lessee hereby agrees to subordinate the lien of this Lease to any new first mortgage that may be placed on the land and buildings of which the leased premises are a part, or a blanket mortgage, if any, placed on such land and buildings, and other lands and buildings owned by the Lessor by a bank, trust, company, insurance company, or other lender, and the recording of such new mortgage shall be deemed prior in lien to this Lease; and the Lessee will, upon demand, but at the expense of the Lessor, execute any instrument necessary to effectuate such subordination, and if the Lessee, within SEVEN (7) DAYS after submission of such instrument, fails to execute the same, the Lessor is hereby authorized to execute the same as attorney-in-fact for the Lessee.

#### 13. LESSOR'S ACCESS

The Lessor or agents of the Lessor may, at reasonable times, enter to view the leased premises and may remove placards and signs not approved and affixed as herein provided, and make repairs and alterations to Lessor's capital equipment or structural materials as Lessor should elect to do.

#### 14. INDEMNIFICATION AND LIABILITY

The Lessee shall save the Lessor harmless from all loss and damage occasioned by the use or escape of water or by the bursting of pipes, as well as from any claim or damage resulting from neglect in not removing snow and ice from the roof of the building, the parking areas, and access ways, or by any nuisance made or suffered on the leased premises, unless such loss is caused by the neglect of the Lessor. The removal of snow and ice from the roof of the building, the parking areas, and access ways upon the leased premises shall be the Lessor's responsibility.

#### 15. LESSEE'S LIABILITY INSURANCE

The Lessee shall maintain with respect to the leased premises property damage insurance and comprehensive public liability insurance in responsible companies qualified to do business in Massachusetts and in good standing therein insuring the Lessor as well as Lessee against injury to persons or damage to property as provided in the following minimum amounts: personal injury including death - \$500,000.00 for each person and \$1,000,000.00 for each accident; property damage - \$100,000.00.

The Certificates of such policy or policies evidencing such coverage together with an endorsement thereon evidencing payment of premium or other satisfactory proof thereof shall be delivered to Lessor upon request. Said insurance policies shall not be canceled without at least ten (10) days prior written notice to each assured named therein.

16. EMINENT DOMAIN

Should a substantial portion of the leased premises, or of the property of which they are a part, be taken by eminent domain, the Lessor may elect to terminate this lease. When such taking renders the leased premises substantially unsuitable for their intended use, a just and proportionate abatement of rent shall be made.

17. DEFAULT AND BANKRUPTCY

In the event that:

- (a) The Lessee shall default in the payment of any installment of rent or other sum herein specified and such default shall continue for ten (10) days after written notice thereof; or
- (b) If Lessee shall neglect or fail to perform or observe any of the covenants or undertakings herein on its part to be performed and observed for a period of thirty (30) days {ten (10) days if such default be in the payment of any installment of rent or any additional rent due, or immediately if the default results in the cancellation or invalidity of insurance coverage as provided in Paragraph 8. Lessee shall after receipt of notice of default immediately commence to cure such default, and if such default then remains seven (7) days after such notice, or if the estate hereby created shall be taken by execution or by other process of law and not redeemed by Lessee within fifteen (15) days thereafter, or if proceedings for corporate reorganization or arrangement under the Bankruptcy Laws of the United States, or any laws amendatory thereof or supplemental thereto, shall be filed by or against Lessee and a decree entered for such reorganization or arrangement, or if any assignment shall be made of Lessee's property for the benefit of creditors, or if any proceedings are instituted by or against Lessee under any Bankruptcy or Insolvency Law, or if a receiver for Lessee or other similar officer shall be appointed (and if any of said proceedings which are instituted against Lessee or the said appointment of any receiver or other similar officer shall not be contested and dismissed within thirty (30) days after the institution or appointment thereof) Lessor may, immediately or at any time thereafter (notwithstanding any license

or waiver of any former breach or waiver of the benefit hereof, or consent in a former instance) and without demand or notice, in person or by agent or attorney, enter the Premises or any part thereof and repossess the same as of its former estate, or terminate by written notice to Lessee and in either event expel Lessee and those claiming through or under it and remove their effects (and to the extent permitted by law, forcibly if necessary) without being deemed guilty of any manner of trespass and without prejudice to any remedy which otherwise might be used for arrears of rent or breach of covenant, and upon entry or notice as aforesaid, this Lease shall terminate.

#### 18. NOTICE

Any notice from the Lessor to the Lessee relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if left at the leased premises addressed to the Lessee, or if mailed to the leased premises, registered or certified mail, return receipt requested, postage prepaid, addressed to the Lessee. Any notice from the Lessee to the Lessor relating to the leased premises or to the occupancy thereof, shall be deemed duly served, if mailed to the Lessor by registered or certified mail return receipt requested, postage prepaid, addressed to the Lessor at such address as the Lessor may from time to time advise in writing. All rent and notices shall be paid and sent to the address of each party shown in the first paragraph of this Lease.

#### 19. SURRENDER

The Lessee shall at the termination of this lease remove all Lessee's goods and effects from the leased premises, including, without hereby limiting the generality of the foregoing, all signs and lettering affixed or painted by the Lessee, either inside or outside the leased premises. Lessee shall deliver to the Lessor the leased premises and all keys, locks thereto, and other fixtures connected therewith and all alterations and additions made to or upon the leased premises in good condition, damage by fire or other casualty only accepted. Lessee further agrees that, if on termination of Lease by expiration or otherwise, Lessee shall fail to remove any of its property from the Premises, Lessor shall be authorized, at its option, and in Lessee's name and on its behalf, either (i) to cause such property to be removed and placed in storage for the account and at the expense of Lessee; or (ii) to sell such property at public or private sale with or without notice, and to apply the proceeds thereof, after the payment of all expenses of removal, storage and sale, to the indebtedness, if any, of Lessee to Lessor, the surplus, if any to be paid to Lessee.

20. Lessee shall not do or suffer anything to be done whereby the Premises and may be encumbered by any materialman's or mechanic's lien and shall, whenever and as often as any such lien filed purporting to be for labor or material furnished to the

Lessee, discharge the same of record within thirty (30) days after the date of filing.

21. Lessee covenants that such rules and regulations as the Lessor from time to time hereafter may make, applicable to all Lessees of the Premises and uniformly enforced by Lessor, being in the judgment of the Lessor needful for the reputation, safety, care or cleanliness of the Premises or the operation and maintenance of the Premises, or for the comfort of the Lessee, shall be faithfully performed by the Lessee and by the agents, employees, servants, licensees, invitees and visitors of the Lessee, and all such rules and regulations are hereby made part of this Lease as fully, to all intents and purposes as if herein set forth. The Lessor, however, shall have the right to change said rules and to waive any or all of the rules in the case of any one or more Lessees, nor shall the Lessor be responsible to the Lessee, or to the Lessee's agents, employees, servants, licensees, invitees, or visitors, for failure to enforce any of the rules and regulations or for the non-observance or violation of any of said rules and regulations by any other Lessee or by any other person or for the non-observance or violation of or failure to enforce or to perform the provisions of any other lease of any part of the Premises.

22. Except as otherwise specifically provided herein, Lessee shall arrange, at its own cost and expense, removal of its trash and other waste from its leased area.

23. Lessee shall not place any signs on the Premises except as may have been approved in writing by Lessor prior to installation, which consent shall not be unreasonably withheld.

#### 24. FIRE AND OTHER DAMAGE

If the Premises shall be partially damaged by fire or other cause without the fault or neglect of Lessee, Lessee's servants, employees, agents, visitors or licensees, the damages shall be repaired by and at the expense of the Lessor and the rent until such repairs shall be made, apportioned according to the part of the Premises which is usable by Lessee. But if such partial damage is due to the fault or neglect of Lessee, Lessee's servants, employees, agents, visitors or licensees, the damage shall be repaired by Lessor, at Lessee's expense and there shall be no apportionment or abatement of rent. Such repairs shall be made promptly, subject to reasonable delay which may arise by reason of adjustment of insurance on the part of the Lessor or Lessee, and for reasonable delay on account of "labor troubles" or any other cause beyond Lessor's control. Lessor shall not be liable for any inconvenience or annoyance to Lessee or injury to the business of the Lessee resulting from reasonable delays in repairing such damage. If the Premises are totally damaged or are rendered wholly untenable by fire or other cause, and if Lessor shall decide not to restore or not to rebuild same, or if the Building shall be so damaged that Lessor shall decide to demolish it (whether or not Lessor thereafter decides to rebuild it), Lessor may, within sixty (60) days after such fire or other cause, give Lessee a notice in writing of such decision and thereupon the term shall expire upon the thirtieth (30) day after such



notice is given, and Lessee shall vacate the Premises and surrender the same to Lessor. If the Premises are totally damaged or are rendered wholly untenable by fire or other cause so that it cannot reasonably be expected to be restored or rebuilt within six (6) month period, Lessee may within sixty (60) days of the occurrence of such damage, terminate this Lease upon fifteen (15) days' prior notice in writing to Lessor and thereafter shall vacate the Premises and surrender the same to Lessor. If Lessee shall not be in default under this Lease then, upon termination of this Lease under conditions herein provided for, Lessee's liability for rent shall cease as of the day following the casualty.

## 25. LESSOR REMEDIES

If the Lease shall be terminated as provided in Paragraph 17 hereof, Lessee shall continue to pay to Lessor in addition to all sum which were due to the date of such termination, the base rent and additional rent for the balance of the term, provided however, that Lessee shall be credited with any rent payments actually received by Lessor as a result of reletting. The amount of credit the Lessee may receive as provided in the preceding sentence shall be determined on a monthly basis and shall in no event exceed the amount of rent due from the Lessee in that monthly period. Lessee also agrees (i) to indemnify and save Lessor harmless from and against all expenses which Lessor may incur, including, without limitation, legal expenses, attorney's fees, brokerage fees, and the cost of putting the Premises in good order or preparing the same for rental and (ii) that Lessor may re-let the Premises or any part or parts thereof, either in the name of the Lessor or otherwise for a term or terms, which may, at Lessor's option be less than or exceed the period which would otherwise have constituted the balance of the Lease Term and of any extension thereof and may grant concessions of free rent. Lessor, at Lessor's option may make such alterations, repairs, replacements and decorations on the Premises as Lessor, in Lessor's sole judgment deems advisable and necessary for the purpose of reletting the Premises and the making of such alterations or decorations shall not operate or be construed to release Lessee from liability hereunder. Mention in this Lease of any particular remedy shall not preclude Lessor from any other remedy in law or in equity.

Signed and sealed this 31st day of December, 2001.

Milford Water Company

By: \_\_\_\_\_  
Leonard H. White, President

By: \_\_\_\_\_  
Henry C. Papuga, Clerk

Comprehensive Environmental Inc.

By: Eileen Pannetier  
Eileen Pannetier, President

By: Eileen Pannetier  
, Treasurer

## COMMERCIAL LEASE AGREEMENT

This lease made this 31<sup>st</sup> day of December, 2002 by and between Milford Water Company of 66 Dilla Street, Milford, MA 01757 (hereinafter "the lessor") and Staff U Smart, a duly organized Massachusetts Corporation under the Laws of the Commonwealth of Massachusetts, of 12 Overlook Drive Westborough, MA 01581 (hereinafter "the Lessee").

In consideration of the covenants and conditions set forth herein, the Lessor hereby demises and leases unto the Lessee the premises described below pursuant to the terms set forth herein.

### 1. LEASED PREMISES

The leased premises are located at 64 Dilla Street (Unit 4), Milford, Massachusetts, consisting of 1,670 +/- square feet, as shown on an exhibit attached hereto as Exhibit "A and incorporated herein by reference. Lessor does hereby grant to Lessee as appurtenant to the Premises the right to use the paved parking area, in common with others entitled thereto, while used by Lessee, it's employees and business vendors. The Lessor reserves the right to designate the location of the parking areas to be used by Lessor from time to time and change such location and Lessee will use its best efforts to require its employees to use only those part of the parking area designated for Lessee's use. Lessee has use of all parking spaces in the rear of the building.

### 2. TERM

The term of the Lease shall be for three (3) years commencing on the first day of January 2003 and ending on the last day of December 2005. If Lessee has at all times faithfully performed all of the terms and conditions of this Lease by it to be performed shall have the option to extend this Lease for an additional one (1) year term, beginning on the first day of January 2006 and ending on the last day of December, 2006, by giving Lessor written notice in the manner herein provided in Paragraph 17 at least three (3), but not more than six (6) months prior to the expiration of the original term. All the terms and conditions of this Lease shall continue in force during the extended period except that the annual base rent payable by Lessee for such extended rent shall be as set forth in Paragraph 3 hereof. Lessor reserves the right to increase Lessee base rent each year no more than 5% per year beginning at the second year of said initial term, including the one (1) year renewal term.

### 3. BASE RENT

A. The annual base rent is \$20,040.00 during the first year of said initial term, payable in equal monthly installments of \$1,670.00 per month in advance and on the first day of each calendar month during the term hereof. The annual base rent shall be reduced upon the installation of an electric submeter as described in paragraph 5. The base rent shall be again modified for the second and third years of said initial term. At the

beginning of year two of said initial term, the annual base rent is \$13,360.00, payable in equal monthly installments of \$1,113.33 per month in advance and on the first day of each calendar month during the term hereof. The last month's payment for the initial term and as extended shall be made on December 1, 2005 in the amount of \$ 1,113.33.

#### B. Additional Rent:

Lessor enters into this lease agreement for the express purpose of providing Lessor with net income from rent, free and clear of any and all expenses, charges, tax liens, or impositions of any kind. Lessor agrees that no additional rent shall be charged to the Lessee during the first year of said three-year lease. At the beginning of year two of said three-year lease, in addition to the basic monthly rent required by this lease agreement, Lessee shall pay as additional rent its pro rata share of all real property taxes or other assessments and insurance premiums assessed against the building in which the demised premises are located, and common areas charges incurred by the Lessor as set forth below. The rent payable by Lessee during each lease year shall be adjusted in accordance with this paragraph. The Lessor shall present the Lessee with a copy of any bill for real estate taxes and any other municipal charges and assessments attributable to the Premises. The Lessee will pay as additional monthly rent hereunder each bill, to be payable as additional monthly rent beyond the initial \$1,113.33 per month. Lessee's liability for this amount shall be prorated for any part of the period covered by such bill for which Lessee is not responsible for rent under this Lease.

Lessor shall present Lessee with a copy of its annual bill for fire and other property damaged and liability attributable to the Premises. Lessee will pay as additional rent hereunder monthly its pro rata share. Lessee's liability for this amount shall be prorated for any part of the period covered by such bill for which Lessee is not responsible for rent under this Lease.

#### 4. LESSOR'S COVENANTS

The Lessor agrees that during the term hereof it will furnish outside building maintenance, other than is required to be done by Lessee hereunder, grounds maintenance, maintenance of the water and sewer systems and snow clearing for the areas used in common by Lessee's of the Premises, including Lessee's designated parking areas.

Lessor covenants and agrees that Lessee, upon performance of its obligations under this Lease, shall peaceably and quietly have, hold and enjoy the premises throughout the original term of this Lease and all extension periods.

#### 5. UTILITIES

The Lessee shall pay all heat and electric charges for unit 4 and charges shall be included in the monthly base rent of \$12.00 per square foot until such time as the Lessor installs, at Lessor's expense, an electric submeter. Upon the installation as said submeter,

the Lessee shall pay all heat and electric charges as determined from the monthly electric bill for unit 4. At such time as the electric submeter is installed, the Lessee monthly base rent shall be reduced from \$12.00 per square foot to \$11.00 per square foot. The Lessor shall provide for water and sewer use charges, rubbish removal charges and shall designate a dumpster to be used by the Lessee.

6. USE OF LEASED PREMISES

The Lessee shall use the premises only for the purpose of conducting a consulting business.

7. COMPLIANCE WITH LAWS

The Lessee acknowledges that no trade or occupation shall be conducted in the leased premises or use made thereof which will be unlawful, improper, noisy or offensive, or contrary to any law or any municipal by-law or ordinance in force in the city or town in which the leased premises are situated, and agrees to conduct his business in compliance with any and all applicable Federal and State laws or regulations and any municipal by-law or ordinance in force in the city or town in which the leased premises are situated.

8. FIRE INSURANCE

The Lessee shall not permit any use of the leased premises that will make violable any insurance on the property of which the leased premises are a part, or in the contents of said property, or which shall be contrary to any law or regulation from time to time established by the New England Fire Insurance Rating Association, or any similar body succeeding to its powers. The Lessee shall on demand reimburse the Lessor all extra insurance premiums caused by the Lessee's use of the premises.

9. MAINTENANCE

The Lessee agrees to maintain the leased premises and any and all equipment therein in good condition, damage by fire and other casualty only excepted, and whenever necessary, to replace plate glass and other glass therein, acknowledging that the leased premises are now in good order and the glass whole. The Lessee shall not permit the leased premises to be overloaded, damaged, stripped, or defaced not suffer any waste.

10. ALTERATIONS/ADDITIONS

The Lessee shall not make structural alterations or additions to the leased premises but may make non-structural alterations provided the Lessor consents thereto in writing, which consent shall not be unreasonably withheld or delayed. All such allowed alterations shall be at Lessee's expense and shall be in a quality at least equal to the present construction. Lessee shall not permit any mechanics' liens, or similar liens, to remain upon the leased premises for labor and material furnished to Lessee or claimed to

RMBF #2

TOTAL PAGES

TOTAL TIME

SEND : 0000  
RECEIVE : 0018

SEND : 00° 00' 00"  
RECEIVE : 00° 06' 26"

	DATE	TIME	TO/FROM	MODE	MIN/SEC	PGS	JOB#	STATUS
01	12/08	11:59	781 685 4140	EC--R	00'46"	003	005	OK
02	12/08	12:13	9789210250	G3--R	03'43"	009	006	OK
03	12/08	12:38	HAS BOSTON 30 3	UF--R	00'16"	002	007	OK
04	12/08	14:05		G3--R	00'17"	000	008	INC
05	12/08	14:08		G3--R	00'46"	001	009	OK
06	12/08	15:50	7815443637	EC--R	00'17"	001	010	OK
07	12/08	16:04		UF--R	00'21"	002	011	OK

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**MILFORD WATER COMPANY RESPONSES TO THE  
FIRST SET OF STAFF INFORMATION REQUESTS OF THE SETTLEMENT INTERVENTION STAFF  
DTE 05-61**

Respondent: Henry C. Papuga  
Response Date: December 9, 2005

SIS 1-6      Refer to page 3 of Exhibit SBA-1. Please provide the test year revenues and expenses related to Milford's merchandising and jobbing operations. In addition, identify and describe the services included in the classification "Merchandising and Jobbing."

**Response:**    **The Milford Water Company performs "merchandising and jobbing" (M&J) activities during the year. Examples of M&J activities are: installation of new water services, replacement of water services on customers property, replacement of meter valves within customers cellars, etc.**

**The revenues and expenses for the test year are as follows:**

<b>Merchandising &amp; jobbing sales</b>	<b>\$ 128,406.71</b>
<b>Merchandising &amp; jobbing labor</b>	<b>32,833.37</b>
<b>Merchandising &amp; jobbing material</b>	<b><u>41,530.35</u></b>
<b>M&amp;J Net income</b>	<b>\$ 54,042.99</b>

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**MILFORD WATER COMPANY RESPONSES TO THE  
FIRST SET OF STAFF INFORMATION REQUESTS OF THE SETTLEMENT INTERVENTION STAFF  
DTE 05-61**

Respondent: Henry C. Papuga  
Response Date: December 9, 2005

SIS 1-9      Refer to page 4, lines 19 and 20, of the prefiled testimony of Mr. Alcott. Please provide an account-by-account breakdown of Milford's plant account balances for the years 1997 through 2004.

**Response:**      **Please see the attached Excel report (Attachment SIS 1-9) for the specific information as requested.**



MWCo RATE CASE - DTE 05-61  
ATTACHMENT SIS 1-9

ACCT #	NAME OF ACCOUNT	12/31/1997	12/31/1998	12/31/1999	12/31/2000	12/31/2001	12/31/2002	12/31/2003	12/31/2004
101	Organization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102	Misc. Intangible Investment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
103	Land	\$ 860,503.84	\$ 860,503.84	\$ 857,503.84	\$ 1,627,085.16	\$ 1,627,085.16	\$ 1,627,085.16	\$ 1,982,822.63	\$ 1,983,151.63
104	Structures	\$ 2,501,987.64	\$ 2,508,826.93	\$ 2,576,722.38	\$ 3,119,037.57	\$ 3,182,090.11	\$ 3,218,971.61	\$ 3,431,092.86	\$ 3,677,910.84
105	Pumping Plant Equipment	\$ 701,257.87	\$ 695,931.83	\$ 695,931.83	\$ 695,931.83	\$ 710,132.73	\$ 710,132.73	\$ 710,160.81	\$ 705,746.13
106	Misc. Pumping Plant Equip	\$ 34,095.64	\$ 33,647.89	\$ 33,647.89	\$ 35,714.89	\$ 35,714.89	\$ 35,714.89	\$ 35,714.89	\$ 35,714.89
107	Purification System	\$ 2,169,421.00	\$ 2,198,438.86	\$ 2,199,047.97	\$ 2,199,047.97	\$ 2,223,563.69	\$ 2,225,308.69	\$ 2,372,812.31	\$ 2,374,861.11
108	Trans'n and Dist'n Mains	\$ 6,844,424.79	\$ 6,901,649.69	\$ 7,459,300.86	\$ 7,732,473.55	\$ 7,777,247.32	\$ 8,378,121.75	\$ 8,508,960.68	\$ 8,704,202.30
109	Services	\$ 1,121,721.58	\$ 1,141,036.25	\$ 1,310,931.07	\$ 1,395,427.03	\$ 1,440,439.86	\$ 1,541,061.03	\$ 1,606,512.36	\$ 1,701,947.40
110	Cumsumers' Meters	\$ 594,100.53	\$ 614,965.27	\$ 627,500.57	\$ 627,993.56	\$ 624,564.03	\$ 631,565.26	\$ 646,614.47	\$ 673,261.88
111	Consumers' Meter Install.	\$ 119,348.76	\$ 125,003.64	\$ 129,459.81	\$ 134,399.31	\$ 137,623.60	\$ 141,443.66	\$ 144,380.29	\$ 151,018.54
112	Hydrants	\$ 689,512.33	\$ 695,580.86	\$ 720,781.67	\$ 762,279.04	\$ 772,519.45	\$ 838,453.36	\$ 860,085.17	\$ 877,776.44
113	Fire Cist's, Basins, Fountain	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113-A	Water Rights	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113-B	Misc. Expenditures	\$ 1,199.97	\$ 1,199.97	\$ 1,199.97	\$ 1,199.97	\$ 1,199.97	\$ 1,199.97	\$ 1,199.97	\$ 1,199.97
114	Office Equipment	\$ 218,303.16	\$ 237,827.07	\$ 213,075.24	\$ 213,804.99	\$ 216,003.16	\$ 217,241.63	\$ 218,308.82	\$ 218,308.82
115	Shop Equipment	\$ 9,550.14	\$ 9,550.14	\$ 10,255.14	\$ 10,255.14	\$ 11,130.14	\$ 13,960.14	\$ 13,960.14	\$ 11,258.08
116	Stores Equipment	\$ 1,395.30	\$ 1,395.30	\$ 1,395.30	\$ 1,395.30	\$ 1,395.30	\$ 1,395.30	\$ 1,395.30	\$ 1,395.30
117	Transportation Equipment	\$ 153,922.56	\$ 158,742.31	\$ 158,742.31	\$ 168,903.44	\$ 168,903.44	\$ 175,240.07	\$ 175,235.06	\$ 185,908.10
118	Laboratory Equipment	\$ 8,750.89	\$ 9,399.59	\$ 9,399.59	\$ 9,399.59	\$ 9,399.59	\$ 9,399.59	\$ 9,399.59	\$ 9,399.59
119	Misc. Equipment	\$ 103,750.98	\$ 104,084.83	\$ 124,924.68	\$ 129,291.72	\$ 129,291.72	\$ 134,245.42	\$ 135,486.25	\$ 167,177.20
201	Unfinished Construction	\$ 542,919.83	\$ 618,345.44	\$ 666,779.31	\$ 728,401.76	\$ 894,190.06	\$ 1,201,091.25	\$ 1,165,201.25	\$ 1,262,104.48
	<b>Total Cost of All Property</b>	<b>\$16,676,166.81</b>	<b>\$16,916,129.71</b>	<b>\$17,796,599.43</b>	<b>\$19,592,041.82</b>	<b>\$19,962,494.22</b>	<b>\$21,101,631.51</b>	<b>\$22,019,342.85</b>	<b>\$22,742,342.70</b>

**COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**MILFORD WATER COMPANY RESPONSES TO THE  
FIRST SET OF STAFF INFORMATION REQUESTS OF THE SETTLEMENT INTERVENTION STAFF  
DTE 05-61**

Respondent: Henry C. Papuga  
Response Date: December 9, 2005

SIS 1-12      Refer to page 10 of the prefiled testimony of Mr. Papuga. Please describe the process by which Milford activates its emergency purchasing arrangements from those communities for which emergency interconnection arrangements are in place.

**Response:**    **The Milford Water Company maintains interconnections with the Town of Hopedale, Town of Holliston, Town of Medway and Town of Hopkinton. Additional discussions have been held with the Town of Upton and Town of Bellingham regarding installation of interconnections.**

**In times of emergency, the Milford Water Company would contact the Town of Hopedale, Town of Holliston and Town of Medway via telephone. On occasion, a personal visit is made. Depending upon the specific nature of the emergency, the Town of Hopedale would be asked to curtail purchase of water through the two interconnections and the Town of Holliston and Town of Medway would be asked if they could provide water to Milford as needed. If Holliston and Medway had excess capacity and the ability to provide assistance, a date and time would be determined to place the interconnections in service.**

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DTE 05-61**

**Respondent: Henry C. Papuga  
Response Date: December 9, 2005**

**SIS 1-23**      Refer to page 7 of the prefiled testimony of Mr. Alcott. Please provide a copy of the Comprehensive Compliance Evaluation from the Department of Environmental Protection ("DEP") dated March 9, 2005.

**Response:**    **A copy of the referenced Evaluation was provided to Staff during the site visit on November 16, 2005. Additional copies will be distributed to all parties on the service list next week.**

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DTE 05-61**

Respondent: Henry C. Papuga  
Response Date: December 9, 2005

SIS 1-34      Refer to page 11 of the prefiled testimony of Mr. Papuga. Please provide an itemized breakdown of the costs incurred as of September 30, 2005 on the Lake Louisa project.

**Response:**      **As of September 30, 2005 the total project cost is \$642,389.32. Please see the five (5) attached Excel reports providing the specific information as requested.**

ATTACHMENT SIS1-34A

**ATTACHMENT SIS1-34B**

ATTACHMENT SIS1-34C

ATTACHMENT SIS1-34D



**ATTACHMENT SIS1-34E**

**COMMONWEALTH OF MASSACHUSETTS  
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DTE 05-61**

Respondent: Henry C. Papuga  
Response Date: December 9, 2005

SIS 1-35      Refer to page 11 of the prefiled testimony of Mr. Papuga. Please explain the current status of the Lake Louisa project and describe the "regulatory issues" that Milford is encountering on this project.

**Response:**      As evidenced by the response to SIS 1-34, the Milford Water Company has invested significant time and money since 1972 in the Louisa Lake project. Extensive engineering studies, reports and regulatory submittals have been prepared and submitted. The "regulatory issues" mentioned in the prefiled testimony refers to the MA. Department of Environmental Protection's decision to change its policies in June 2004 regarding public water supplies. Some of these issues are being revisited at the state legislature at this time.

Although the Milford Water Company received a project 'certificate' from the MA Secretary of Environmental Affairs, the DEP has been unresponsive in continuing with the project (based upon the 'new' policy guidelines). The Milford Water Company has engaged the firm of Nixon Peabody, LLP to review the entire project and related regulations and laws and recommend actions the company should pursue.

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DTE 05-61**

**Respondent: Henry C. Papuga  
Response Date: December 9, 2005**

**SIS 1-36** Refer to page 11 of the prefiled testimony of Mr. Papuga. Please provide an itemized breakdown of the costs incurred as of September 30, 2005 on the Upton well project.

**Response:** As of September 30, 2005 the total project cost is \$471,813.88. Please see the four (4) attached Excel reports providing the specific information as requested.

**ATTACHMENT SIS1-36A**

**ATTACHMENT SIS1-36B**

**ATTACHMENT SIS1-36C**

ATTACHMENT SIS1-36D

COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

MILFORD WATER COMPANY RESPONSES TO THE  
FIRST SET OF STAFF INFORMATION REQUESTS OF THE SETTLEMENT INTERVENTION STAFF  
DTE 05-61

Respondent: Henry C. Papuga  
Response Date: December 9, 2005

SIS 1-37      Refer to page 11 of the prefiled testimony of Mr. Papuga. Please explain the current status of the Upton well project and describe the "regulatory issues" that Milford is encountering on this project.

**Response:**      As evidenced by the response to SIS 1-36, the Milford Water Company has invested significant time and money since 1986 on the Upton well project. Extensive engineering studies, reports and regulatory submittals have been prepared and submitted to federal, state and local agencies. The "regulatory issues" mentioned in the prefiled testimony specifically refers to the U.S. Army Corps of Engineers (USACE). The USACE is the owner of the property where the well is proposed and has indicated on many instances of the project's viability. The Town of Upton initially supported the project and stated that it would submit a letter to the USACE stating its position. To date that letter has not been provided and the project sits dormant.



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DTE 05-61**

**Respondent: Henry C. Papuga  
Response Date: December 9, 2005**

**SIS 1-38** Please describe the water usage of Milford's commercial and industrial customers, including average monthly usage and purpose if known.

**Response:** The average monthly consumption for commercial customers is approximately 4,000 cubic feet and for industrial customers the average monthly use is approximately 21,000 cubic feet.

The purpose of most commercial and industrial water use is for operations, sanitation and irrigation. It also includes food processing in restaurants, hospital and other health facilities.

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DTE 05-61**

Respondent: Henry C. Papuga  
Response Date: December 9, 2005

SIS 1-39      Please explain the affiliation between Milford and R. H. White Construction Company.

**Response:**    **R.H. White Construction Company is wholly owned by R.H. White Companies, Inc. As described in the testimony of Henry C. Papuga, page 5, Leonard White is an officer and significant shareholder of the Milford Water Company and the Chairman of the Board of R.H. White Companies, Inc., although he has neither any ownership or voting interest in R.H. White Companies, Inc., or its subsidiaries. David White is the Vice President and Treasurer and a member of the Board of Directors of Milford Water Company and the President of R.H. White Companies, Inc.**

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DTE 05-61**

Respondent: Henry C. Papuga  
Response Date: December 9, 2005

SIS 1-40      Refer to pages 8 and 9 of the prefiled testimony of Mr. Papuga. Please provide complete and detailed documentation supporting Milford's knowledge and belief that (a) construction management services are generally performed at 7-10 percent of project cost and (b) that other utilities have obtained construction management services from R.H. White Construction Company for a cost equal to five percent of project costs.

**Response:**      **R.H. White Construction Company has agreed to make available for review at the Milford Water Company offices, subject to safeguards customary for competitively sensitive commercial documents, a contract between R.H. White Construction Company and a major New England water company where construction management services are provided for five percent of project costs. Milford Water Company has no specific documentation supporting its belief that construction management services are generally performed at 7-10% of project cost. However, it is aware that such charges are customary and indeed has confirmed that fact in conversations with a top official at a large regional construction company based in the Milford area. Specifically, Mr. Papuga learned in that conversation that for such construction company 'normal' construction manager fees vary from project to project based upon project size, expected time to complete the project, type of project and customer requesting the proposal.**

                 However, in general, for projects under \$250,000 the fee would range from 9% to 10%, for projects between \$250,000 and \$1,000,000 the fee would range from 7% to 8% and for projects over \$1,000,000 the fee would range from 5% to 6%.